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First of all, I want to compliment the members of Mid-America Dairymen, Inc., for knowing how to make a visitor feel comfortable.

How could someone who works in Washington not feel right at home in a place called Adventureland?

It's got everything the nation's capital has -- funny-looking buildings, a lot of tourists, and you have to pay money to get taken for a ride.

Working in Washington these past few weeks has been an adventure.

First, the air has been so bad that someone over at the Lincoln Memorial swore they heard the statue of Abe coughing.

Second, we've had a water shortage in some areas. And when you cut off Washington's water, you cut off half of its primary fuel. The other half is mixed with the water and some ice in a glass.

And, finally, a construction dam broke and the Potomac River flooded part of our brand-new subway. Which led somebody to comment that Washington can't even dig a hole in the ground.

It has been an adventure for me since I was sworn in by President Carter March 25. An 18-hour-a-day adventure on some days, but an adventure just the same.

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Address by Carol Tucker Foreman, Assistant Secretary of Agriculture for Food and Consumer Services, to meeting of Mid-America Dairymen, Inc., at Des Moines, Iowa, September 7, 1977

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One of the most exciting things about it has been the fact that I have the sense that I am taking part in a fundamental change in Washington. And, more specifically, in the Department of Agriculture.

I do not say that Washington will ever change so much that you can no longer make the kind of jokes about it that I just made. We are a big, sitting target and people will always take potshots at big, sitting targets. Sometimes we'll deserve it, sometimes we won't.

The kind of change I mean is the change that Bob Bergland has been talking about since he became Secretary of Agriculture last January.

Since USDA was created in Abraham Lincoln's time, it has been known as "the people's department."

What Bob Bergland has been saying is that he is going to make it "all the people's department."

That means the department will no longer represent only the interest of one, narrow commercial section of agriculture. Instead it will represent all those touched by agriculture.

And in today's world of instant actions and instant responses, that means everybody.

If we represent all the people -- and not just one narrow group -- that means we can never make all our constituents happy.

For the Department of Agriculture, like any other government agency doing its job, is going to make decisions that please one group and send another up the wall.

Iowa, September 7, 1977

Today I'd like to talk to you about what I think might help bring those groups a little closer together. Not into perfect harmony, just closer together. And then I'd like to take as many of your questions as we have time for.

It has been said that only death ends a person's reputation. I'm not that interested in ending mine. I am not sure I want to end it under any circumstances.

But I do want to talk about it.

The news release that told of my coming here, the introduction today, made reference to my background as a consumer advocate.

That is very understandable.

I was a consumer advocate.

I am a consumer advocate. The very title of my job -- Assistant Secretary for Food and Consumer Services -- dictates that I should be.

I am proud of it.

But, as is often the case, that is only part of the story. I am also a farmer advocate.

I do not say that because I feel the need to win your favor. I say it because it is the truth.

I say it because it is a message I have been delivering to audiences as long as I have been a so-called consumer advocate.

Yes, I believe that consumers should get an adequate supply of good, nutritious food at the lowest possible price.



No, I do not believe they should do it at the expense of the American farmer.

Yes, I want to see that workers in the food industry get a reasonable income.

No, I do not want to see it come out of the farmer's pocket.

Yes, I want to see the consumer get greater access to the decision-making process in food and agriculture.

No, I do not want to take away any of the farmer's access to that same process.

For several years now I have preached the gospel that farmers and consumers have a common goal: A steady supply of high-quality food produced on American farms at the lowest possible retail price.

Elementary economics tells us nothing hurts consumers more than a severe shortage of a desired and needed product. And farmers need a reasonable annual return on their labor and investment in order to provide that supply.

Nowadays farmers get about a three or four percent return on their investment -- if they're lucky.

That's pretty small compared with the average 11 percent return on stockholders' equity enjoyed by the nation's 15 leading food chains in 1975.

As I have said, I am not interested in rearranging my reputation if death is involved.

But there is one death I would like to be involved in. In fact, I'd happily preside over it if I could. Right here, today.

I'd like to put a quick, painless end to the old concept that there is some sort of mystical dividing line between the farmer and the consumer. There is not and never has been, except in the minds of some people.

Farmers are consumers.

Consumers are farmers.

The consumer is the farmer's customer.

The farmer is the consumer's supplier.

The two are inalterably, eternally tied together. And they always have been.

There is no more graphic way of demonstrating that than this:

About the only thing Earl Butz ever did that I agreed with was carry around that loaf of bread. You remember. He would go to a meeting and hold up the loaf of bread and say that it costs so much in the store and the farmer gets so much of that.

Well, three years ago when Earl was doing his act, a one-pound loaf of white bread cost 33 cents and the farm value of the wheat in that loaf was 6.4 cents.

Last month the same loaf cost 35.6 cents and the farm value of the wheat in it was 2.4 cents.

In other words, in three years the cost to the consumer went up about 8 percent and the return to the farmer went down more than 60 percent.

What better evidence do you need of the ties of these two groups?



And what better evidence do you need that those areas between the farmer and the consumer are taking an ever-increasing percentage of what is spent for food?

It's not going to the farmer or consumer.

It's going to advertising, which last year accounted for three percent of the nation's total food bill.

It's going to packaging, which made up 13 percent of the nation's food marketing bill in 1976, the second largest cost.

It's going to processing and retailing. And a recent report by the Joint Economic Committee of Congress said that inadequate competition among supermarkets caused an estimated \$662 million in consumer overcharges in 1974.

Well, I want to see it stop going there.

I say it's time for us to adjust to some new realities. Nothing's cheap nowadays -- labor, energy, transportation -- and it is not going to get cheap.

It's time, then, that we looked hard at some of the extravagances that are built into our food system and work to get them changed.

Does it really make any difference if potato chips come in waxed bags instead of tennis ball cans?

Do we really need to spend those millions on commercials that my kids see on the morning shows for such delicacies as Kaboom and Count Chocula, instead of less money for advertising that tells us what's a good buy this week and how much it costs?



Do we really want to continue to promote inefficient transportation of our food products by prohibiting such things as "backhauling" by truckers?

Does every pay increase have to be passed on to consumers or can the food industry be convinced that they're going to have to begin absorbing some of it?

I'm an optimist. I think we can change these things.

And when we do, I want to see the money saved go to the consumer and the farmer.

There is another area where that tie between the consumer and the farmer is a tight one.

It's in the program run by the Department of Agriculture.

I have responsibility for three major ones.

The first, the Food and Nutrition Service, provides food to low-income people.

It costs money. We spend 60 percent of the department's budget for such programs as School Lunch, School Breakfast, Summer Food, and Food Assistance for the Elderly.

Even if you did not feel that it is the humane thing to feed those people who can't feed themselves adequately -- and I feel very strongly that it is -- the programs provide a market for food produced on American farms.

Last year \$12.8 billion was spent on farm foods for use in our domestic feeding programs. The American farmer's share was \$5.1 billion.

I also supervise a new organization called the Food Safety and Quality Service. It handles meat and poultry inspection. There's a dual benefit in that program, too. It helps the consumer by guaranteeing them clean, uncontaminated meat and poultry. It serves the producers -- and their reputations -- by keeping contaminated or diseased products out of the market place.

My third responsibility is for the standardization and grading of foods. We try to provide a common language of commerce for both the buyer and seller.

We've got a long way to go before the common language on grading is a language everybody really understands and profits from. But we will get there.

And when we do, it will aid both the consumer and farmer. The consumer will know better what is being bought and the farmer could market products that now go to waste.

I do not want you to think I preach my gospel of building a bridge between consumers and farmers just to farm groups like yours.

I do it to consumer groups, too.

I try to tell them the problems of the farmer.

I tell them about how farm income dropped from \$33 billion in 1973 -- the boom year -- to \$20 billion last year.

I tell them that the farm value in food dropped almost 4.5 percent last year.

I tell them the price of a ton of 14 percent protein dairy feed went from \$75 a ton in 1972 to over \$140 this summer.



I tell them about how a tractor that cost \$10,900 in 1973 cost \$19,200 this summer.

There are signs that the bridge is getting under way. Or at least the pilings are in.

A farm group, the Agricultural Council of America, recently surveyed consumers and found:

- \* One, that consumers do not want to reach the promised land of lower food prices by riding on the backs of bankrupt family farmers.

- \* Two, that consumers are no happier with the price of food at their supermarket than farmers are with the prices they have to pay for dairy feed or tractors.

- \* And, three, that consumers would like less sizzle and more steak; less of fancy packaging, plush retail outlets and pre-processing; and more of lower prices, nutrition, and competition in the food delivery system.

There was another survey recently, this one by the supermarket industry. They asked people who is responsible for high food prices.

Seventeen percent -- the highest group -- said the government.

About 14 percent said the processors.

A smaller percentage said retailers.

And only one percent -- one percent, mind you -- said farmers are responsible.

That's a big difference from 1973 when food prices soared and the farmer unjustly took the blame for it.

It means your story is getting out.

It's getting out because farm groups have been doing a better job of telling their story through the media. It's getting out because of the farm women's groups that have been coming to Washington to tell Congress and us at the department what their problems are and what needs to be done about them.

That is the way the bridge will be built.

These are not the best of times for either the farmer or the consumer.

That boom that began in 1973 and started to bust a couple of years ago has left high prices for both the farmer and the consumer, and the additional burden of lower income for the farmer.

I don't think it needed to turn out that way, and I think that the fellow who used to run around with the loaf of bread had a lot to do with the fact that it did.

But that's another matter.

With that change in Washington and the Department of Agriculture that I mentioned, I think we are getting the tools to do something about it.

One of the tools is the new attitude at USDA. Another is our new Farm Bill with its target prices that will help eliminate those wild swings in prices that farmers have had to put up with for years.

Meanwhile, until the bridge is built, we are all in the same boat. And if a boat is taking on water, it doesn't make a lot of sense to sit and



yell at the other people in the boat that more water is coming in on their side.

It is not unlike the situation portrayed in a tale about the great showman, P. T. Barnum.

He used to keep in his circus a cage that had in it a lion, a tiger, a wolf, a bear and a lamb. He called them "The Happy Animal Family."

One day a visitor came to the circus and marveled at the sight.

"Remarkable," the visitor said. "How long have they been living together like that?"

"Eight months," Barnum replied. "Of course, we have to put in a new lamb now and then."

Ladies and gentlemen, nobody wants to be the lamb.

Thank you.

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